

national market is considerable, we are levying an export duty of a reasonable nature which will still leave the exporters with a fair margin of profit.

MR. CHAIRMAN: The question is:

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7, of the Customs Tariff Act, 1975 (51 of 1975), this House approves the following notification of the Government of India in the Ministry of Finance (Department of Revenue), namely:-

"No GSR 441(E), dated the 2nd September, 1978, levying an export duty on barytes at the rate of Rs. 50 per tonne under the new Heading No. 24 in the Second Schedule to the said Act, from the date of issue of the said notification."

*The motion was adopted.*

15.57 hrs.

#### ADDITIONAL DUTIES OF EXCISE (TEXTILES AND TEXTILE ARTICLES) BILL

THE MINISTER OF FINANCE  
(SHRI H. M. PATEL): Sir, I beg to move:

"That the Bill to provide for the levy and collection of additional duties of excise on certain textiles and textile articles, be taken into consideration."

Hon. Members may recall the statement made by my colleague, the Minister of Industry in the Lok Sabha on 7th August, 1978, on Textile policy. With a view to adequately fulfil the social obligation of providing cheap cloth to the weaker sections of the society and to encourage development of the handloom sector, the policy *inter alia* envisaged the discontinuance of the old scheme based on statutory obligations to produce controlled cloth by the textile mills, and meeting the requirements of such cloth through new arrangements based on subsidy.

As the sale price of such cloth is to be subsidised, it was decided to impose a levy at the rate of 10 per cent of the effective basic excise duties on specified items of textiles and textile articles. The Additional Duties of Excise (Textiles and Textile Articles) Ordinance, 1978, was promulgated by the president on 3-10-1978; it came into force from 4-10-1978.

The need to impose this levy through an Ordinance arose because Parliament was not in session; consequent on the withdrawal of the obligation on the part of the textile mills to produce controlled cloth from 1-10-1978, it became necessary to impose the levy without any time-lag so that there was little loss to the exchequer on account of out-go as subsidy and the burden was transferred to the entire textile industry in time. The present Bill seeks to replace the said Ordinance. Copies of the Ordinance along with a statement under sub-rule (1) or rule 71 of the Rules of procedure and Conduct of Business in Lok Sabha have already been placed before the House.

Hon. Members will agree that the objective of providing cheap cloth to the weaker sections of the society is in line with the thinking of this House. The provisions made in the Bill ensure that the burden in fulfilling this social obligation is distributed equitably without detriment to the health of any particular sector of the textile industry.

The levy is expected to yield a revenue of about Rs. 50 crores in a full year on the excise side and a revenue of Rs. 7.5 crores on the customs side by levy of countervailing duty corresponding to the additional excise duty.

Sir, I move that the Bill be taken into consideration.

MR. CHAIRMAN: Motion moved:

"That the Bill to provide for the levy and collection of additional duties of excise on certain textiles and textile articles be taken into consideration."

[Shri H. M. Patel]

Mr. Stephen. He is not here. Mr. Venkataraman.

16 hrs.

**SHRI R. VENKATARAMAN** (Madras South): This Bill gives an opportunity to discuss a matter of policy in relation to textiles.

The obligation to provide cheaper varieties of cloth to the weaker sections of society is acknowledged by all sections of the House. The previous Government considered that by compelling the textile mills to produce controlled cloth they would be able to satisfy the needs of the weaker sections to some extent. Even at that time there was a considerable difference of opinion whether the compulsion to produce controlled cloth by the textile industry would meet the object. I will not now go into it. I am one of those who thought that there was a better way of doing service to the weaker sections and that was by promoting and subsidising the handlooms rather than compelling the textile mills to produce the controlled cloth to a certain extent. I am glad that so far as that policy is concerned, the government has come forward to change it and on this side, we welcome it.

The controlled cloth scheme had not worked very satisfactorily. It neither pleased the textile mills because they were obliged to produce a cloth which they could not market nor did it please the consumers because it was not of the quality which they would like to have. So to the extent that the obligation to produce controlled cloth is gone, nobody will shed a tear. But, as a Finance Minister, Mr. Patel has come forward merely to state that he will get Rs. 50 crores in a full year and Rs. 25 crores in the current year. He has not spelt out how this money will be used for subsidising the supply of cloth to the weaker sections of the society. In fact, the tendency would be—and, as Finance Minister, he will not disagree—with a large running deficit like this, to appropriate this money

also to meet the deficit. I want an assurance from you. I see you raising your finger. I want you to come out with an affirmative expression. That is all.

The object of my making this statement is that I want a specific statement from the Government committing themselves that this entire amount of Rs 50 crores which will be got in the course of the year will be utilised for the purpose of subsidising the supply of cloth to the weaker sections.

The second point I would like to make on this is that it is far better to subsidise the handloom industry and make the handloom cloth available at cheaper rates than to resort to any other way of subsidisation. The Finance Minister is aware that in the fifties an additional excise duty was levied on textiles and the amount was spent on development of the handloom industry through the co-operative societies. The sales through co-operative societies were subsidised and a rebate was given on the sale of cloth through the co-operative societies. We also had a scheme for building houses for the handloom weavers. A Provident Fund was started for workers in the handloom sector in the co-operative societies. Slowly one by one it has withered away. To-day they do not have any of these benefits. If the additional excise duty is still being collected it goes only to meet the deficit, the ever-increasing deficit of the Government.

I hope this additional excise duty will not, therefore, go the same way as it had gone in the past. The handloom industry cannot compete with the textile industry by its very nature. The way in which the handloom industry works shows that the yarn has to be reeled, it has to be sized and then it has to be taken to the handloom. A great deal of manual labour is involved. The intermediary process increases the cost between the textile and handloom. It was to meet this difference in cost that a rebate was given. Many people have said that the rebate should be abolish-

ed. Even a question is asked as to how long we should go on giving the rebates. I said that as long as the handloom weaver suffers from the handicap vis-a-vis the textiles, the rebate must continue. This is something like a man having to eat everyday to sustain himself, the handloom has also to be sustained and, if it is to be sustained, it has to be only through this process in which a consumer will be induced to buy the handloom goods. That inducement will come only through cheaper price.

Apart from various other programmes that you may have to take up for the improvement of handloom, this, that and the other, the main step that should be taken for the purpose of making available quality cloth cheap to the weaker sections as well as for sustaining the handloom is by way of a rebate scheme only.

Therefore, I would like to ask the Finance Minister whether it is in the thinking of the Government that, if not all or at least, a major part of Rs. 50 crores which will be raised by way of additional excise duty be used for the purpose of subsidising the purchase of handloom goods by the weaker sections of the society.

I am not in favour of giving rebate on the sale of cloth which is over 60 counts and, even on fine and superfine cloth, the purchases need not be subsidised. The amount which goes for the purchase of superfine cloth and 120 count yarn and even on cloth of over 80s does not require any assistance. But, on the production of coarse and medium cloth, particularly, upto 60s, it will have to be subsidised. Unless this is done, there will be a great problem for marketing of handloom goods.

Therefore, I take this opportunity to impress on the Government that the amount which will be realised by way of an additional excise duty should be set apart or earmarked not merely for the global idea of subsidising it but for a specific purpose of giving rebate

also on the sale of handloom cloth so that it may help the weaker and the poorer sections, consumers, of the society.

I have no objection to the Bill. But I want that the money collected under this Bill should be utilised for this purpose.

SHRI S. R. DAMANI (Sholapur):  
Mr. Chairman, Sir, I appreciate the textile policy announced on 7th August, 1978. I also appreciate the intention behind this Bill. They have abolished the obligation on the mills to produce controlled cloth because this very scheme to produce the controlled cloth had put a large number of mills especially in the small town into a difficulty.

This new policy will not put the smaller mills into a difficulty, so that they have to close down as they have closed down in the last few years. This kind of situation will not arise.

The duty of 10 per cent imposed on all the items of textile industry and which will bring in Rs. 50 crores in a year is going to be utilised for subsidising the cloth for the weaker section. To that there cannot be any objection. This should be done. But here I would like to make a point whether the Government has made enquiries or carried out a survey of the controlled cloth for which you are going to spend Rs. 50 crores is liked by the public. My point is whether cloth which is going to be subsidised by Rs. 50 crores a year will reach the weaker section because our intention is that weaker section should get the advantage. We are here to see that weaker section is helped but my doubt is the controlled cloth which is the controlled cloth which is being produced at present is not to public taste. It has to be seen and examined whether whatever is produced reaches them.

Sir, according to my experience, the cloth which is produced as controlled cloth at present is mostly of coarse count. Coarse count cloth is out of fa-

[Shri S. R. Damani.]

shion. Large part of this controlled cloth which is supposed to be for the weaker section is used for non-weaker able items like pillow covers, bed-sheets, tapestry and curtains. It is my experience that it is not reaching the weaker section. Therefore, I say that Government has not taken care to see that suitable quality of cloth is produced which is to public taste and it reaches the weaker section also. I want this should be done. The House should be assured of the fact that whatever cloth we are going to produce is to public taste and whatever subsidy we are going to give is on the quality of cloth used by the weaker section. If it is not done then your levying of Rs. 50 crores a year will not benefit the weaker section. This is very important and, I hope, the Finance Minister will throw light on this point.

Secondly, as my friend has said about handlooms I also feel that a large part of this amount should be spent on subsidising the handloom industry. The handloom industry is a weaker sector. It is spread all over the country and they are at the moment in difficulty. The handlooms number is going down and down. Therefore, it is necessary that maximum amount is used for subsidising the handloom industry and the handloom industry is asked to produce such cloth is to public taste. In this way Government will be able to help the handloom industry because the sale of whatever they produce is secured. Why handloom is suffering because they find it difficult to sell whatever they produce. If you take their production and place orders with them and distribute it to weaker section then in that case handloom industry will get strengthened. It will grow and create more employment and side by side the weaker section will also be benefited by getting cheaper cloth. If you go on producing same type of cloth which has been produced for the last so many years. I am very apprehensive that the purpose for which you have made the policy

is not going to bring any benefit to the weaker sections. Therefore, it is very essential that the quality of cloth under the controlled cloth scheme should be changed and changed in such a way that it suits public taste and reaches the weaker sections. I hope the Finance Minister will consider these suggestions. With these words I conclude.

SHRI VINODBHAI B. SHETH (Jamnagar): Mr. Chairman, Sir, let me at the outset congratulate the Finance Minister for bringing forward this Bill which was an Ordinance after revoking the controlled cloth cumbersome procedure. I agree with the views of the hon'ble Members who have just expressed whether the controlled cloth does reach the consumer or not or whether it helps the weaker section or not.

The Ordinance and the Bill are very much timely but I have got a few points for suggestion. Whether the subsidy of Rs. 57 crores which we will be collecting by way of central excise and countervailing duty is sufficient or not. We have to evaluate how much the producers and the consumers will get by way of subsidy. It is well known that the textile industry has recouped crores of rupees after heavy losses and at present are making huge profits. So the additional duty realised, if at all to be given, should be given to the handloom and khadi industry or for modernisation of the mills because our industry is in the habit of keeping the old machinery and diverting profits to some other industry. This should be looked into. As the Finance Minister is wellversed with textile industry I need not give more views on the subject.

Then, Sir, we have got to find out the weaker sections. The weaker section is really middle class people and they do not wear coarse

cloth. They wear costly cloth like nylon etc. They never use this Khadi or handloom cloth. As for the subsidy which the Government is going to give, my friend Shri Venkataraman said very rightly, the question is whether it is going to be used for this industry or for the benefit of the consumer or whether this small 57½ crores will be a small drop in the ocean of the deficit. There should be some sort of *quid pro quo* theory applied here. The Government should consider it its conscientious duty to make a statement in the House at the end of the year that the additional duty which they have collected by doing away with this controlled cloth procedure is being particularly used for the weaker section of the society. In what they do, it is for the Government to decide.

I am surprised to see the report in today's *Financial Express*; under 'Cheap Cloth', it is stated that the 'mills may raise production'. The mills will not be in trouble even after the withdrawal of duty on controlled cloth from the mills. The mills are quite happy. According to this article, for the November-December period, the tenders invited were for only 34 million metres whereas the industry responded with a total of 41 million metres for this coarse cloth. Finally, the Ministry accepted tenders for only 14 million metres. That means, there is a profit to the mills in this business. I would, therefore, request the hon. Minister, having an eye on the finances, to raise the duty from 10 to 15 per cent—it will not harm the industry—so that more money is available. People will not also say that we stand for the big industries and we do not talk of the small industries. That is the charge by some of the opposition Members also. We should look to the interests of the small industries and we can give subsidy to the handloom and khadi industries by collecting more money from the big industries. We have to define our economic policy in such a

way so that every industry should know ultimately what it has to pay. When the obligation of controlled cloth was withdrawn, it was not a boon to the mills and I really congratulate the Finance Minister in bringing forward this Bill immediately.

In the end, I would request the hon. Minister to look at these things from all the angles, when you finally pass the Bill and see that the real weaker sections of the society are benefited by this additional excise duty.

SHRI R. P. DAS (Krishnagar): Mr. Chairman, Sir, I have only two points to add to this very interesting subject before I go to support or to oppose this Bill.

Firstly, I am sorry to say that the Government has taken an outright unwise decision in doing away with the scheme of statutory obligation on cotton textile mills to produce controlled cloth from 1st October, 1978. By doing this, they have given another concession to the mill-owners and a kick to the poor consumers in the country. It will not be out of place to say that it is not true that the cotton textile mills had fallen sick because of their obligation to produce controlled cloth. It is known to all that some mills in the country had fallen sick long before the standard cloth scheme came into existence. As a matter of fact, every textile mill-owner built his own empire out of the loot made from the weakest sections of the society. I would like to know, who came to save the ordinary consumers, the most helpless, wretched persons who live below the poverty line. The Government for the last thirty years always came to the rescue of the mill-owners, whenever they had any problem, whether just or unjust. This is the question. Therefore, the so-called burden of Atlas should not be shifted to the poor consumers.

Sir, my second point is a simpler one. It was clearly enacted earlier that there would be a levy and

[Shri R. P. Das.]

collection of additional duties, a part of which was to be distributed among the States in pursuance of the principles of distribution formulated and recommended by the Finance Commission in its report dated as far back as 30th September, 1957. But the Ordinance and this new Bill reject the idea of distribution of the proceeds which amount to approximately Rs. 50 crores in a full year, among the States. I would surely not support this trend of centralization of economic power in the hands of the Centre.

In conclusion, I welcome and support the idea of subsidy, which should be extended to similar other items.

**श्रीधरो बलबीर सिंह (होशियारपुर) :** सम्मानित महोदय, मंत्री जी प्राइवेट्स को रिफ्लेस करने के लिये बिल लाये और उन्होंने कार्रगानेदारों के हाथ हथियार डाल दिये। उनको कहा गया कि कन्ट्रोल क्लाय इतना बनाना है मगर उन्होंने बनाया नहीं और पनल्टी भ्रदा करते ये और सरकार ने उनके प्रागे हाथियार डाल दिये कि चलो प्रापको छोड़ दिया। जो टैक्स प्रापने लगाया है, यह गरीब प्रादर्मियों पर लगाया है। प्रापने कोई एमाउन्ट मुकरंर नहीं किया है कि इतने रुपये 5, 7 या 10 रुपये गज नक के कपड़े पर यह टैक्स नहीं लगेगा। मगर यह टैक्स चिं बालों प्रा पर लगेगा तो यह बोम किस पर पड़ेगा ? प्राप किस को फायदा पहुंचाना चाहते हैं ?

मगर प्राप खदर के कपड़े, हेडलूम क्लाय की हिस्ट्री देखेंगे तो पायेंगे कि खादी बोर्ड में किनी लूट होती है, करोड़ों रुपये का शबन होता है। पंजाब में खादी बोर्ड में करोड़ों रुपये का शबन है और श्रब और पैसा लगाकर उन्हीं लोगों को प्राप देना चाहते हैं। उधर कांग्रेस पार्टी ने भी कहा है कि प्रापना विधान है, खदर लो, पहनो और जनता पार्टी ने भी निकाल दिया कि खदर पहनो। प्राप देखें कि कितने लोग खदर पहनते हैं। मगर खदर नहीं बिकता है तो वह चपरानियों को मजबूर करते थे कि वह खदर की वर्दी पहने।

प्राज भी उमी दंग में अश्रियान शुरु किया जाता है कि लोगों के दिलों में हाय से कने हुए देसी कपड़े के लिये इज्जत हो, जेमे कि महात्मा गांधी ने शुरु किया था, लेकिन प्राज लगता है कि हम किसी पर हमें थोपना चाहते हैं। सबरीटी देकर भी लोग उसको खरीदने नहीं हैं। जो खरीदने वाले हैं, एक्साज बढ़ाने में उनके लिये भी दाम और बढ़ जाते हैं।

मगर सस्ते का मवाल लेते हैं तो खदर की एक पतलून और नाइलोन की एक पतलून बनाने पर नाइलोन की एक पतलून 2 साल काम करती है और खदर की 4 पतलून एक माल मेंख तम हो जाती है। इसके अलावा

खदर की पतलून को धोने पर कितना खर्च करना पड़ेगा और उस पर कितना खर्च पड़ जाता है। हम यहां इस हाउस में बैठकर प्रैक्टिकल बातों को देखते नहीं हैं और कोशिश करते हैं कि गरीब प्रादमी सस्ते दाम का कपड़ा पहन ले और वह खदर का कपड़ा पहनता नहीं है।

प्राप बाजार में चले जायें खदर भ्रदार में 25 परसेंट और 33 परसेंट तक छूट, रिबेट देते हैं। तो यह 33 परसेंट की रिबेट और डिस्काउन्ट देने के बाद भी जो चीज इन खदर भ्रदारों से लेकर प्राते हैं, वही चीज दूसरी जगह पर खदर भ्रदारों के दामों से भी कम पर मिल जाती है। मैं इसकी मिसाल देता हूं, मैंने अभी पीछे एक कम्बल खरीदा 20 परसेंट उस पर रियायत थी। तो इन भ्रदारों में इस रियायत को लेने के बाद उस कम्बल की कीमत 80 रुपये थी, और बाजार में वह 55 व 60 रुपये में मिलता था।

एक मननोय सबस्य दिल्ली में मिलता हागा। यहां ऐसा होता है।

**श्रीधरो बलबीर सिंह :** मैं कहता हू कि प्रैक्टिकलों नुक्तेनिगाह से देखना चाहिये कि गरीब को सस्ता दें सकें, गरीब क्या चाहता है, वह क्या पहनता है। कहीं प्राप किसी लेबरर के पास चले जायें, उससे कहें कि खदर की कमीज पहन लो, तो वह कहता है कि मैं इतना अमीर नहीं हूँ। यह सिर्फ हिन्दुस्तान का ही मसला नहीं है। दूसरे मुल्कों में भी जो प्रादमी सूती कपड़ा या प्योर वूल का कपड़ा पहनता है, उस को अमीर प्रादमी कहा जाता है और जो टेरीकाट या नायलन के कपड़े पहनता है, उसको गरीब कहा जाता है, क्योंकि उन कपड़ों को घर में ही धो लेते हैं और वे फोरन काम प्रा जाते हैं, और वे ज्यादा देर तक चलते हैं। सरकार कहती है कि लोग हैडस्पन और हैड-वोकन कपड़ा लें। लोग उस कपड़े को खरीदते नहीं हैं, तो उस के लिए रियायत और सबसिडी दी जाती है, हालांकि बाजार में उससे कम भाव पर कपड़ा बिकता है।

यह सबसिडी चंद एजेन्सीज का दी जाती है, और वे सबसिडी को हजम कर लेती हैं और गरीबों को उसका फायदा नहीं होना है।

हरानी की बात यह है कि कपास सरती है, जिस के खिलाफ सारे देश में किमान प्रोटेस्ट कर रहे हैं। पंजाब में लोगों ने मंडी में जाकर कपास को जलाया है, क्योंकि उन्हें शोक भाव नहीं मिला है। सारे हिन्दुस्तान के किसानों ने इकट्ठे हा कर डिमांडेशन किया है कि उन्हें पूरी कीमत नहीं मिलती है। किमान जो चीज पैदा करता है, उसकी कीमत कम है, मगर कम कीमत पर कपास ले कर जो कपड़ा बनता है, वह महंगे भाव पर बेचा जाता है। ये मिलें कैसे बीमार हो गईं और उनका इलाज पहले क्यों नहीं किया गया ? इन मिलों के मालिकों ने वहां का पैसा दूसरी जगह लगाना शुरू कर दिया और टूटी फूटी मशीनरी को बकत पर तब्दील नहीं किया, और अब मंत्री महोदय उन बीमार मिलों का इलाज करेंगे। मगर सरकार ने कोई सालिड कदम

उठाया होता, तो कारखानेदार क्यों मंहगी कीमत पर अपनी चीज बेचता और क्यों मिल खो घोटें में जो करता ? अगर उन का माफ़ट से निकाल किया जाये, तो लोगों को सहूलियत होगी ।

मिल का कंट्रोल क्लाय बंद हो गया है और अब सरकार खट्टर और करघे के कपड़े के लिए सबसिडी देगी, ताकि लोग उसको खरीदें । लोगों ने जो कपड़ा खरीदना है, उस पर दस परसेंट प्रीर टैक्स लग जायेगा और जो गरीब आदमी पांच रुपये में कपड़ा खरीदता है, उसको साढ़े पांच रुपये देने पड़ेंगे । मंत्री महोदय को सोचना चाहिए कि उन्होंने यह टैक्स गरीबों पर लगाया है । चूंकि मंहगी महोदय इस बिल को वापस नो नहीं लेंगे, इसलिए कम से कम वह दस रुपये से कम वाले कपड़े पर टैक्स न लगायें । इस टैक्स में गरीब आदमी पर बोझ और बढ़ जायेगा ।

कारखानेदारों ने मनमानी कमाई की है । उन्होंने कंट्रोल क्लाय नहीं बनाया है । सरकार उन्हें इस के लिए मजदूर नहीं कर सकी और उनसे उनके सामने हथियार डाल दिये । उसने एक नया तरीका निकाला है कि कपड़े पर टैक्स लगाया जाये, और वह पैसा हाथ से बने कपड़े के लिए सबसिडी की शकल में दिया जाये । सबसिडी लेने वाले खा जायेंगे और जिन लोगों को हम ने रिलीफ देना है, उन को हम कम कीमत पर चीजें मुहैया न कर सकें, यह बड़े अफ़सोस की बात है । जनता पार्टी ने यह वादा किया था कि हम लोगों को सस्ती कीमत पर चीजें देंगे । मंत्री महोदय यह कोशिश करें कि हम लोगों को सस्ती कीमत पर कपड़ा दें सकें और जो कपड़ा बे खरीदना नहीं चाहते हैं, उसको उनके गले न मढ़ें ।

\*SHRI A ASOKARAJ (Perambalur): Mr. Chairman, on behalf of All India Anna D.M.K. I would like to say a few words on the Additional Duties of Excise (Textiles and Textiles Articles) Amendment Bill.

At the very outset, I would like to say that this Bill is a classic example to prove that Janata Government has become a handmaid of capitalists and industrialists of the country. According to the new Textile Policy announced on 7-8-1978, the textile mills have been relieved from their obligation to produce 'controlled cloth'. I would like to ask, who is the beneficiary of this new textile policy—the poor people or the textile mill-owners.

Whatever kind of legislation the Government may bring, yet the industrialists are capable of finding loopholes in such laws and circumvent them for their personal benefit. The new textile policy is a 'prize bonus' to the textile mill-owners. The Janata Government swears by the welfare of the people and yet the basic primary requirement of standard cloth of the common people need not be produced by the giant textile mills.

Now this has been reserved to handloom sector. I wonder whether the handloom sector will get the required yarn for producing standard cloth. The handloom sector has to depend upon the spinning mills for their yarn. Besides this, I am afraid of the unnecessary rivalry which will be created between the handlooms and powerlooms in the matter of producing controlled cloth. Whether the powerlooms will be able to get adequate power for production is itself a doubtful question, especially when the entire country is in the grip of unprecedented power crisis. Even if the handloom sector produces all the controlled cloth, will it be able to distribute the cloth effectively throughout the country? Who is going to distribute it? Will the shops which are selling mill cloth store controlled cloth produced by the handloom sector? All these questions are to be answered before this Bill gets the approval of this House.

It is also feared that this levy of 10 per cent additional excise duty will consequently increase the price of cloth and the consumers will be hard hit by this levy. You will find that the Statement of Objects and Reasons indicates certain contradictions. "According to the said policy announcement, the financial burden resulting therefrom was to be borne by the entire textile industry in such a manner that there would not be any bur-

\*The Original speech was delivered in Tamil.

[Shri A. Asokaraj.]

den on the public exchequer... With the removal of the obligation of production of controlled cloth by cotton textile mills from 1-10-78 it became necessary to impose the levy immediately so as to minimise the loss to the exchequer consequent on the out-go as subsidy." I would like to know why the Mills should be given any subsidy, if they are not to produce controlled cloth. I would like to suggest that the total amount realised from this 10 per cent additional excise duty must be exclusively earmarked for the handloom and powerloom sector which is to produce 'controlled cloth' hereafter. This money should also be utilised for creating additional productive capacity if this sector has not got adequate capacity to produce controlled cloth. The Government must also direct the National Textile Corporation to produce some quantity of controlled cloth in the textile mills run by it. Here it is relevant to point out what Shri Jayaprakash Narain has stated. He has said that 40 crores of people get a daily average income of 75 paise only. You can imagine from this how they can buy their cloth. They must be given cheaper cloth. The hon. Minister may have personal experience about the conditions prevailing in metropolitan cities in Bombay, Calcutta or Madras. It will be worthwhile for him to come in contact with conditions in rural areas. I have seen that one four-yard dhoti is worn for years and years. I have also personally seen that one sari is torn into three pieces and three women wear these three pieces. This is the extent of poverty in rural areas.

I have to regretfully point that the Janata Government has not done well in saying that the textile mills need not produce 'controlled cloth'. This will affect greatly the poor people of the country, who constitute more than 90 per cent of the population. In conclusion, I would reiterate that the accruals from 10 per cent

additional excise duty must be exclusively earmarked for the handloom and powerloom sector which is to manufacture the controlled cloth hereafter. The Central Government must also do whatever is required to be done for this purpose.

Before I resume my seat, I would refer to the pitiable plight of handloom weavers in Tamil Nadu. They are on the verge of starvation. Several lakhs of handloom weavers in Tamil Nadu are looking to the Government of India for extending succour to them. I request that the Government of India must take some immediate action to relieve the distress of lakhs of handloom weavers in Tamil Nadu.

With these words I conclude my speech.

**श्रीवती मृगाल गौरी (बम्बई उत्तर) :** सभापति महोदय, मुझे खेद है कि इस बिल को उपर से देखने में ऐसा मालूम होता है कि मिल्स पर कंट्रोल क्लॉथ बनाने की जो जिम्मेदारी थी, गरीबों के लिए जो वहां पर कंट्रोल क्लॉथ तैयार होता था उसको बन्द करने के लिए वह बिल लाया गया है। स्टेटमेंट आफ आ-इजेंट्स में कहा गया है कि सामान्य लोगों को सस्ता कपड़ा देने के लिए जो सर्वोन्नीची पड़ेगी वह सर्वोन्नीची हमको हाथ वसूल की जायेगी। पहले मालूम है कि मिलों पर कंट्रोल क्लॉथ बनाने की जो शर्त लगी हुई थी उसका अनुपालन नहीं होता था। सामान्य मिलें बड़े पैमाने पर कंट्रोल क्लॉथ को तैयार न करते हुए दूसरी जगहों से कंट्रोल क्लॉथ खरीदने का काम करती थीं और कहा जाता था कि हममें मिलों की घाटा होता है। वास्तव में घाटा होता था या नहीं, मैंने इसका पता नहीं लेकिन मेरी धारणा है कि टेक्सटाइल मिलें काफी प्राफिट करती हैं और हममें मिलों का जो घाटा आता था उसको बन्द करने का काम हमारी सरकार ने किया। उन घाटे के लिए एक्साइज ड्यूटी लगकर जो सर्वोन्नीची के लिए पैसा वसूल करना है उसके लिए ग्रेड्युएट में दिया हुआ है कि किन जातियों के कपड़े पर ज्यादा एक्साइज ड्यूटी आयेगी लेकिन वह क्लॉथ की कीमत बढ़ाकर कंज्यूमर से वसूल की जायेगी। पहले मिल वालों को जो पैसा देना पड़ता था, जो उनका घाटा होता था उस घाटे को ममानत करके आपने उसको कंज्यूमर पर डाल दिया है।

दूसरी बात मैं यह कहना चाहती हूँ कि मिलों पर कंट्रोल क्लॉथ तैयार करने की जो शर्त थी उसको हटाने के बाद अब मिलों को कितना ज्यादा फायदा होने वाला है—क्या इसका कोई अंदाजा सरकार ने लगाया है? मैं समझती हूँ सरकार ने जरूर अंदाजा लगाया होगा। आपने जो जिम्मेदारी मिलों पर से हटा ली है उसने



उनको फायदा होने वाला है और अब आप दस परसेंट एक्साइज ड्यूटी लगा रहे हैं तो इसके बाद मियों के फायदे में क्या कमी होने वाली है? मेरा यह कहना है कि इस में मिलवालों को कुछ भी घाटा होनेवाला नहीं है, बल्कि यह 57.50 करोड़ रुपया जो आप एक्साइज के रूप में लेनेवाले हैं यह सब जनता से वसूल होनेवाला है। इस पर थोड़ा गहराई से विचार करने की जरूरत है—एक तरफ हम यह देख रहे हैं—मिलवाले भले ही यह कहते रहें कि उन को घाटा हो रहा है, लेकिन पिछले दो-तीन सालों में मिलवालों ने काफी मुनाफा कमाया है, उन का यह मुनाफा बढ़ता ही जा रहा है, उन के शेअर की कीमत बढ़ती जा रही है—यह इस बात को जाहिर करता है कि उन को घाटा नहीं हो रहा है, बल्कि मुनाफा हो रहा है। तो मैं कहना चाहती हूँ कि एक तरफ तो इन का मुनाफा बढ़ रहा है, दूसरी तरफ आज हम देख रहे हैं कि कपास की कीमत कम हो रही है। आज अब यह कहा जाता है कि कपड़े की कीमत में 55 परसेंट कपास की कीमत रहती है, तो जब कपास की कीमत कम होती है, तो उसी के अनुसार कपड़े की कीमत भी कम होनी चाहिये, लेकिन कपड़े की कीमत कम नहीं होती है, उल्टे बढ़ती जा रही है—इस तरफ सरकार को देखना चाहिये कि ऐसा कैसे हो रहा है।

मैंने पहले भी बताया था कि पहले जो स्ट्रेम्पिंग पद्धति थी, एमजेंन्सी के काल में उन को बदल दिया गया था। पहले इस प्रकार की पद्धति थी एक्स-मिल प्राइम—नम—एक्ससाइज ड्यूटी, लेकिन एमजेंन्सी के काल में ऐसा हो गया रिटेल-प्राइस नाट-टू-एक्सीड-इस तरह की स्ट्रेम्पिंग लगने लगी। इस स्ट्रेम्पिंग के लगने में यह पता नहीं लगना था कि एक्स-मिल प्राइम क्या है। तब हम लोगों ने देखा कि मिलें 35 परसेंट में लेकर 135 परसेंट तक का एक्स मिल प्राइम पर मुनाफा कमा रही थीं एमजेंन्सी के बाद जब हमारी सरकार यहां आई तो उस ने इस सिस्टम को बदल दिया और फिर एक्स-मिल-प्राइस तथा एक्साइज ड्यूटी छपने लगी, लेकिन अब तो स्ट्रेम्पिंग ही खत्म हो गई है। अब तो पता ही नहीं चलता है कि कपड़े का उत्पादन मूल्य क्या है और इस के उपर कितनी एक्साइज लगती है और उस पर मिल कितना मुनाफा कमा रही है—इन सब बातों का कोई अन्दाजा नहीं होता है।

दूसरी तरफ कपास की कीमत कम हो रही है फिर भी कपड़े का दाम बढ़ता जा रहा है और अब यह 10 प्रतिशत की लेवी और ज्यादा बढ़ेगी, जैसा कि गैडयूल में दिया हुआ है—इन सब से कपड़े की कीमत बढ़नेवाली है, क्योंकि यह एक्साइज ग्राहकों से वसूल की जाएगी, मिलवाले अपने पास से देनेवाले नहीं हैं। उन को दोनों तरफ से फायदा हो गया है और कन्ज्यूमर का दोनों तरफ से नुकसान हो गया है। हम ने इस में कहा है कि गरीबों के लिए सस्ता कपड़ा देने में इस सबसिडी का उपयोग करेंगे यह बात तो ठीक है, लेकिन मैं यह जानना चाहती हूँ कि यह सबसिडी ग्राहकों से वसूल करने के बजाय, मिलवाले को मुनाफा कर रहे हैं उन के मुनाफे में से कुछ हिस्सा हम सबसिडी के रूप में क्यों नहीं लेते हैं? मिलवालों

का मुनाफा कम करने की दृष्टि से सरकार क्या सोच रही है? मुझे यह भी कहना है कि यह जो साढ़ सत्तावन करोड़ रुपया आप इस तरह से इकट्ठा करने जा रहे हैं सबसिडी के लिए इस से पूरा होमेवाला नहीं है। आज समान्य लोगों को सस्ता कपड़ा देना हमारी जिम्मेदारी है, सरकार को अपनी इस जिम्मेदारी को समझ कर काम करना है, तो जब इस रकम से पूरा पड़नेवाला नहीं है तो भागे जो सबसिडी हम लेनेवाले हैं, उस को इन मिलवालों से जो बहुत बड़े पैमाने पर मुनाफा कमा रहे हैं, क्यों वसूल नहीं करते हैं? मिलवालों मुनाफे की बात सब लोग खुल्लम खुल्ला जानते हैं। मेरे पास इस वक्त वह किताब नहीं है "बिजनेस इण्डिया" का अक्टूबर विशेषांक निकला है, उस में इस के बारे में पूरे आंकड़े दिये हुए हैं कि उनका मुनाफा पहले के मुकाबले कितना बढ़ गया है। तो इस मुनाफे पर कुछ टोक लगा कर उस पैसे को सबसिडी के रूप में हासिल करने की स्कीम सरकार को और से बननी चाहिए और माय ही साथ जो सस्ता कपड़ा देना है। उस के बारे में हम किस प्रकार से करें—यह देखना चाहिए।

मुनाफे में से हम कुछ पैसा नहीं लेते हैं और खाली एक्साइज ड्यूटी बढ़ा देते हैं। जब तक इस में से गरीब कन्ज्यूमर का कुछ नहीं मिलता है, तब तक उस का भला नहीं होगा। यह सही है कि कुछ कपड़ा गरीबों के लिए जरूर रहेगा लेकिन यह जो एक्साइज ड्यूटी आप बढ़ा रहे हैं, यह ग्राहकों से ही समूल की जाएगी। इसलिए मैं यह प्रार्थना करती हूँ कि हमारे पट्टेल साहब जल्दी ही इस प्रकार का एक बिल लाएंगे, जिससे मिलवाले जो बहुत बड़ा मुनाफा कमा रहे हैं, उस मुनाफे में से कुछ पैसा लिया जाए, जिसका फायदा कन्ज्यूमर्स को भी हो।

इन शब्दों के साथ मैं समाप्त करती हूँ।

SHRI CHITTA BASU (Barasat):

Mr. Chairman, Sir, so far as the Bill is concerned, it appears that it is an innocent piece of legislation and the Lok Sabha should not take much of the time of the House, of the Minister and very passively extend to support. I am really grateful to Comrade Mrs. Gore that she has raised certain vital points in this particular Bill. The hon. Members will agree that the Bill is the offspring of the statement made by the Minister of Industry in the Lok Sabha on the 7th of August, 1978 on the textile policy. The hon. House can really understand the implication of the Bill if the textile policy announced by the Government is also borne in mind. Since I have not got much time to discuss that thing I only give some portion of the textile policy so that we can really understand its

[Shri Chitta Basu.]

implication. The textile policy begins with the sentence—

“The textile industry is the oldest and single most important industry in India, both in terms of employment, and for meeting one of the essential consumption needs of the people. Unfortunately, over the years, the performance of this industry has not been satisfactory. In the organised sector, productivity has fallen in a large number of units. The incidence of sickness has been growing and the progress of modernising obsolete equipment has been tardy. The cost of textile has been rising steadily, while the per capita consumption of cloth has been falling.

It gives a total picture of the textile industry of our country.

So far as this Bill is concerned this poliyi states:

“Government consider it necessary that the supply of cheap cloth for the weaker section and the rapid development of the handloom sector, should be simultaneously accomplished. It is, therefore, intended that the handloom sector should, to the maximum extent possible, and in the shortest period of time, meet the requirements of cloth for the weaker sections of the population.”

Lastly, I quote another aspect of the textile policy.

“Mill made controlled cloth would be limited to 400 million square metres, and would be produced both by the NTC and private sector mills.”

Now I have only mentioned three aspects of the sickness of the textile industry as a whole. The Handloom industry is to be encouraged and the consumption need is to be met for the poor people from the controlled cloth

facility for which 400 million metres has been fixed as a target.

I would like to point out here that if the social objective is to provide cheaper cloth to the poor people of our country, this Bill cannot fulfil that objective because, as has been pointed out earlier, the excise which is going to be levied under the provisions of this Bill will be realised by the mill-owner from the consumers themselves. If we go by the past experience regarding the manufacture of controlled cloth, I think the mill-owners are getting a double favour, as has been correctly mentioned by Shri mati Gore. They are getting Rs. 57 crores by way of excise duty. They would be realising more than that by way of increase in prices, by way of depressing the price of raw cotton, by way of mismanagement or malpractice in trade. Therefore, this Bill is nothing but a concession to the mill-owners in two-ways. Why do I say so? I have got some figures for 1976-77, which will give an indication. According to the revised order of the Government of India on that day, the mills were required to produce a total of 100 million sq. metres of controlled cloth and the backlog was more than 40 million sq. metres. In the January—March and April—June quarters they had produced only 46.3 million sq. metres, leaving a balance of 43.7 million sq. metres. Though the target was fixed at 100 million, they did not produce it. The reason advanced by the mill-owners was that they were losing Re. 1 or Rs. 1.50 per sq. metre on controlled cloth. Therefore, they argued that they cannot produce standard cloth, which the earlier Government did not concede, though they might have given them other concessions. Now why should the Janata Government give them this concession of exemption from producing standard cloth passes my comprehension.

If the social objective is to provide cheaper cloth to the consumer, that is not being fulfilled, either by this Bill or by the textile policy. These 400

million sq. metres would be produced by the NTC mills, which are already in the red. Thus, you are making them in our still bigger losses, whereas relief is being provided to the private capitalists. You are asking your own factories to produce standard cloth, sustain loss and you provide all the benefits to the private industrialists.

That is why I say that this is not an innocent Bill. It is to be considered as a reward, as a prize to the private industrialists engaged in the textile industry.

17 hrs.

I would have been happy had I been able to oppose it altogether, but I am not able to, but I feel that the Government should understand its implications and revise the entire textile policy. However, this is not the occasion for me to discuss the textile policy. Therefore, while I extend my support to this small Bill, I would request Government to bring a comprehensive Bill by which the maladies of the textile industry can be removed and the poor people can be provided with cheaper cloth.

If you want my suggestion, I would say there is no way out other than nationalisation of the textile industry as a whole. If you give me time, I can place the case for it, why it is necessary, but this is not the occasion for discussion that.

**SHRI DINEN BHATTACHARYA** (Serampore): Including the purchase of raw material.

**SHRI CITTA BASU**: The total process

I feel Government should give careful consideration to the opinions expressed in this House and bring a new comprehensive legislation which will remove the maladies of the textile industry as a whole and provide cheaper cloth to the common masses in our country.

**SHRI H. M. PATEL**: I am very grateful to the various hon. Members

who have spoken on this Bill. I may say that the last two speakers really spoke on the textile policy, whether that policy is sound or not. I would not like to take the time of the House by going into the textile policy. It is, for one thing, not my subject, and this particular Bill really is consequent on the textile policy which was stated in this House by the Industries Minister in August last. Consequent upon that policy it became necessary to impose an excise duty in order that no burden falls on the exchequer.

I had myself invited all the leading textile industrialists and put it to them that they must see to it that this additional duty of 10 per cent is absorbed, and that price increase occurs. So far, I may say, that that has been the case, there has been no increase because of this 10 per cent levy.

**SHRI DINEN BHATTACHARYA**: What about stamping prices?

**SHRI H. M. PATEL**: This question of stamping of prices is now under the consideration of the Industries Ministry. I think they will be shortly taking a decision on that.

**SHRIMATI MRINAL GORE**: It will be increased slowly.

**SHRI H. M. PATEL**: I would like that Mrs. Gore is not provided to be true.

**SHRIMATI MRINAL GORE**: I would also like that.

**SHRI H. M. PATEL**: Shri Venkataraman raised quite the most valid point that this excise duty is being levied in order to raise funds to subsidise or otherwise see that the controlled cloth that is produced is of the right quality and is made available to the weaker sections at right prices. It has been stated in the policy statement that private mills, National Textile Corporation mills and the handloom sector will be producing it.

[Shri H. M. Patel.]

But, gradually, it is the handloom sector which will be producing the greater part of this cloth.

On this, I may also mention incidentally that it has been made clear in the Statement that care would be taken to see that controlled cloth will be of acceptable quality and, secondly, improved arrangements for the distribution of this cloth to the weaker sections of the population will also be made.

17.05 hrs.

[DR. SUSHILA NAYAR in the Chair]

SHRIMATI MRINAL GORE : That is beside the Bill.

SHRI H. M. PATEL : I have to point out because these points were made by the hon. Members. I am only trying to refer to those points. I am only saying that they have not been overlooked.

The hon. Member said that he would like to have an assurance from the Government that this amount of Rs. 50 crores and odd or whatever money is raised from the additional excise duty will not be utilised for budgetary purposes but will be utilised for the production of controlled cloth; that the handloom sector is going to be utilised for producing controlled cloth and that the benefit reaches the handloom sector which will enable them to produce controlled cloth. As the hon. Member knows, already a reduction of Re. 1/- per metre is allowed to handlooms. If anything more is needed, it will also be made available to them. I do not think the hon. Member desires an assurance that all the money will go to the handloom sector. That cannot be. Because some of the burden of producing controlled cloth is falling on the National Textile Corporation. Except for that, I certainly give an assurance that the money will be utilised for the production of controlled cloth and it will be ensured that controlled cloth is produced at prices

which are reasonable and that all arrangements are made to see that it reaches the weaker sections of the population for whom it is intended.

SHRI P. VENKATASUBBAIAH (Nandyal) : What about quality?

SHRI H. M. PATEL : The quality will be ensured. That is why it is intended that the National Textile Corporation is going to do it. It is a public sector enterprise and it is going to see that whatever quality of controlled cloth is prescribed will be produced. In fact, the handlooms have been producing controlled cloth of an acceptable quality. I do not think that the House need have any doubt about that.

As regards the point raised by the hon. Member, Mr. Venkataraman, I have stated, without any hesitation, that the money realised by way of additional excise duty will be utilised for the purpose of producing controlled cloth and for ensuring that controlled cloth is of acceptable quality and that it is made available to the weaker sections of the population at reasonable prices.

I do not think there are any other points that call for an answer. I think these are the only relevant points that were raised. I feel that I have answered those points. I realise that Mrs. Gore and Mr. Chitta Basu will not be completely satisfied with what I have said. But they themselves realise that this is not the occasion to discuss the textile policy. I hope, therefore, they will bear with me if I do not touch that broad policy though I could, if necessary. There is a textile policy which obtains today and, following that policy, this has to come about. Whether the textile policy which makes it necessary for us to bring this Bill is sound in itself or not is a matter certainly for a discussion. I am prepared to concede that. I do not think that all the points made by Mrs. Gore and Mr. Chitta Basu were really unanswerable. They could be answer-

ed. But, as I said, this is not an occasion to do so. I would not, therefore, take the time of the House on that.

With these words, I hope that the House will accept this Bill.

MR. CHAIRMAN: The question is:

"That the Bill to provide for the levy and collection of additional duties of excise on certain textiles and textile articles, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: Now, we take up clause-by-clause consideration. There are no amendments given notice of. Therefore, I shall put Clauses 2 to 4 to the vote of the House.

The question is:

"That Clauses 2 to 4 stand part of the Bill".

*The motion was adopted.*

*Clauses 2 to 4 were added to the Bill.*

*The Schedule, Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI H. M. PATEL: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

*The motion was adopted.*

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17.12 hrs.

EMPLOYMENT OF CHILDREN  
 (AMENDMENT) BILL

THE MINISTER OF PARLIAMEN-  
 TARY AFFAIRS AND LABOUR  
 (SHRI RAVINDRA VARMA) :  
 Madam Chairman, I beg to move :

"That the Bill further to amend the Employment of Children Act, 1938, as passed by Rajya Sabha, be taken into consideration."

As the hon. Members will see from the Statement of Objects and Reasons as well as the Clauses of the Bill, the Bill is a non-controversial measure, meant to increase the area of protection extended to children who seek employment. I do not, therefore, want to take the time of the House to make a long speech or explain the objects or provisions of the Bill.

In the last three or four decades, several laws have been enacted to regulate the employment of children. The Employment of Children Act, which this Bill seeks to amend, was enacted exactly 40 years ago, in 1938. The purpose of the Act was to prohibit the employment of children in certain occupations which were regarded as particularly harmful or hazardous for children. The Employment of Children Act of 1938, therefore, prohibited the employment of children in occupations connected with the transport of passengers, goods or mail, and with the port authority within the limits of any port. Several other Acts like the Factories Act, the Shops and Establishment Act, the Plantations Labour Act, the Motor Transport Workers' Act, etc., specify a minimum age for the employment of children and provide for the regulation of the conditions of work that affect children. In spite of many of these regulatory provisions, the number of children working for a living according to the census of 1971 is as high as 10.7 millions.

The Report of the Working Group on Employment of Children that the Department of Social Welfare of the Government of India set up went into the various aspects of the problem of child labour, and suggested that the prohibition of employment of children should be extended to all hazardous occupations, and the minimum age of employment of children should be at least 14 years under all the Acts. This would mean that the lower minimum age specified in Acts like the Plantations Labour Act and the Shops and Establishments Acts will have to be raised.